

TEACHERS' FUND FOR RETIREMENT
PERFORMANCE REPORT FOR DECEMBER 2001

2/7/2002

	Assets as of December 31, 2001			*RATES OF TOTAL RETURN						
	EMV \$(000)	Actual Alloc	Policy Alloc	Quarter Ended				2002 FYTD	YR Ended 6/30/2001	
				Dec-01	Sep-01	Jun-01	Mar-01			
LARGE CAP EQUITY										
Structured Growth										
Alliance Capital Management	28,313	2.3%	2.3%	15.49%	-20.69%	10.03%	-20.32%	-8.40%	-28.08%	
RUSSELL 1000 GROWTH				15.14%	-19.41%	8.42%	-20.90%	-7.21%	-36.18%	
Structured Value										
LSV	30,689	2.5%	2.3%	8.73%	-8.79%	8.10%	-0.19%	-0.83%	28.93%	
RUSSELL 1000 VALUE				7.37%	-10.95%	4.88%	-5.86%	-4.39%	3.84%	
Enhanced S&P Index (1)										
Northern Trust Global Investments	54,585	4.4%	4.5%	10.54%	-14.35%	5.69%	-11.46%	-5.32%	N/A	
Strong Capital	55,762	4.5%	4.5%	11.72%	-15.98%	3.71%	-9.66%	-6.13%	N/A	
Westridge Capital	58,523	4.7%	4.5%	10.90%	-14.60%	5.60%	-10.86%	-5.29%	N/A	
Total Enhanced S&P Index	168,870	13.6%	13.5%	11.05%	-14.96%	5.02%	-11.43%	-5.56%	N/A	
S&P 500				10.69%	-14.68%	5.85%	-11.86%	-5.56%	N/A	
Enhanced Russell 1000 Index (1)										
Wilshire	55,481	4.5%	4.5%	10.79%	-15.41%	6.52%	-12.21%	-6.28%	N/A	
RUSSELL 1000				11.11%	-15.23%	6.31%	-12.57%	-5.81%	N/A	
S&P 500 Index										
State Street - S&P 500 Index	94,343	7.6%	7.5%	10.69%	-14.68%	5.85%	-11.86%	-5.56%	-14.75%	
S&P 500				10.69%	-14.68%	5.85%	-11.86%	-5.56%	-14.83%	
TOTAL LARGE CAP EQUITY	377,697	30.5%	30.0%	11.03%	-14.80%	6.06%	-11.10%	-5.40%	-11.52%	
S&P 500				10.69%	-14.68%	5.85%	-11.86%	-5.56%	-14.83%	
SMALL CAP EQUITY (2)										
SEI	136,260	11.0%	10.0%	20.00%	-20.04%	N/A	N/A	-4.05%	N/A	
RUSSELL 2000 + 200 bp				21.59%	-20.29%	14.79%	N/A	-3.08%	N/A	
TOTAL SMALL CAP EQUITY	136,260	11.0%	10.0%	20.00%	-20.02%	-5.80%	-6.44%	-4.02%	1.69%	
RUSSELL 2000				21.09%	-20.79%	14.29%	-6.51%	-4.08%	0.57%	
INTERNATIONAL EQUITY										
Intl Core										
State Street	118,067	9.5%	10.0%	7.71%	-15.06%	0.60%	-10.23%	-8.51%	-17.93%	
MSCI 50% HEDGED EAFE INDEX				8.60%	-16.41%	0.15%	-10.44%	-9.22%	-17.95%	
Intl Active										
Capital Guardian	121,436	9.8%	10.0%	12.46%	-17.26%	0.85%	-9.61%	-6.95%	-20.14%	
MSCI 50% HEDGED EAFE INDEX				8.60%	-16.41%	0.15%	-10.44%	-9.22%	-17.95%	
TOTAL INTERNATIONAL EQUITY	239,503	19.4%	20.0%	10.06%	-16.14%	0.72%	-9.66%	-7.70%	-18.81%	
MSCI 50% HEDGED EAFE INDEX				8.60%	-16.41%	0.15%	-10.44%	-9.22%	-17.95%	
EMERGING MARKETS										
Value - Active - Commingled										
Capital Guardian	59,858	4.8%	5.0%	29.87%	-24.96%	6.98%	-7.44%	-2.54%	-29.31%	
MSCI EMERGING MKTS FREE INDEX				26.60%	-21.60%	3.90%	-5.46%	-0.75%	-25.93%	
DOMESTIC FIXED INCOME										
Core Bond										
Western Asset	13,378	1.1%	1.2%	-0.15%	4.75%	1.37%	3.64%	4.59%	13.40%	
LB AGGREGATE				0.05%	4.61%	0.56%	3.03%	4.66%	11.22%	
Active Duration										
Criterion	13,250	1.1%	1.2%	-0.76%	3.28%	0.67%	2.67%	2.50%	12.34%	
LB AGGREGATE				0.05%	4.61%	0.56%	3.03%	4.66%	11.22%	
Index										
Bank of North Dakota	15,638	1.3%		-0.09%	5.01%	0.04%	3.29%	4.92%	11.04%	
BND (Match Loan Program)	10,835	0.9%		1.45%	1.43%	1.45%	1.43%	2.90%	5.89%	
Total Bank of North Dakota	26,472	2.1%	1.8%	0.24%	4.19%	0.37%	2.83%	4.44%	9.79%	
LB GOV/CORP				0.06%	4.76%	0.30%	3.20%	4.82%	11.13%	

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Core									
Strong Capital	14,524	1.2%	1.2%	0.45%	4.04%	1.17%	4.74%	4.51%	13.45%
LB BAA BOND INDEX				0.35%	3.59%	0.79%	0.59%	3.95%	6.00%
Convertibles									
TCW	14,373	1.2%	1.2%	12.91%	-16.04%	4.87%	-9.69%	-5.20%	-13.58%
1ST BOSTON CONVERTIBLE INDEX				7.67%	-11.01%	4.12%	-6.24%	-4.18%	-11.87%
Timberland									
Wachovia	4,374	0.4%	0.6%	0.15%	N/A	N/A	N/A	N/A	N/A
TOTAL DOM FIXED INCOME	86,371	7.0%	7.0%	2.09%	0.42%	1.55%	1.02%	2.52%	6.87%
LB AGGREGATE				0.05%	4.61%	0.56%	3.03%	4.66%	11.22%
HIGH YIELD BONDS									
Western Asset	90,047	7.3%	7.0%	5.75%	-4.41%	-1.75%	3.88%	1.09%	-4.46%
LB HIGH YIELD BOND INDEX				5.78%	-4.23%	-2.29%	6.36%	1.30%	-0.96%
INTERNATIONAL FIXED INCOME									
Intl Core									
Brinson	60,882	4.9%	5.0%	-3.56%	7.80%	-2.51%	-5.37%	3.96%	-7.58%
SALOMON NON-US GOV'T BOND				-3.97%	7.75%	-1.97%	-4.90%	3.47%	-7.43%
REAL ESTATE (3)									
JMB	915	0.1%		-15.82%	2.13%	1.19%	0.18%	-14.03%	1.92%
TCW	4	0.0%		-10.72%	-4.64%	-8.63%	8.33%	-14.86%	25.25%
INVESCO	76,071	6.1%		12.63%	10.90%	2.09%	8.35%	24.91%	13.52%
J.P. Morgan	44,096	3.6%		1.23%	1.47%	2.41%	1.91%	2.72%	10.27%
TOTAL REAL ESTATE	121,087	9.8%	9.0%	7.47%	6.76%	2.22%	5.20%	14.73%	11.92%
NCREIF PROPERTY INDEX				1.58%	1.75%	2.26%	2.28%	3.36%	11.15%
PRIVATE EQUITY (3)									
Brinson IVCF III	2,104	0.2%		91.56%	-14.67%	-27.35%	10.88%	63.46%	-17.89%
Coral Partners V	15,587	1.3%		-11.30%	-34.09%	-1.35%	-1.54%	-41.54%	19.29%
Coral Partners Supplemental V	614	0.0%		-0.92%	N/A	N/A	N/A	N/A	N/A
Brinson 1998 Partnership Fund	2,803	0.2%		-11.87%	-3.49%	-11.40%	-7.87%	-14.95%	-3.63%
Brinson 1999 Partnership Fund	3,285	0.3%		-11.39%	-1.32%	-7.40%	-5.26%	-12.56%	-4.36%
Brinson 2000 Partnership Fund	4,814	0.4%		-4.11%	-0.50%	-2.89%	-1.42%	-4.59%	2.74%
Brinson 2001 Partnership Fund	655	0.1%		-1.75%	-0.12%	1.13%	0.02%	-1.87%	N/A
Brinson 1999 Non-US Partnership Fund	1,187	0.1%		-0.95%	-1.98%	-3.16%	2.55%	-2.91%	2.24%
Brinson 2000 Non-US Partnership Fund	879	0.1%		2.67%	-1.98%	-3.50%	-0.37%	0.64%	-7.03%
Brinson 2001 Non-US Partnership Fund	414	0.0%		0.66%	0.66%	0.66%	N/A	1.32%	N/A
Brinson BVCF IV	7,852	0.6%		-3.90%	-11.21%	-3.31%	-3.49%	-14.67%	-11.46%
Hearthstone	3,514	0.3%		3.57%	2.94%	8.16%	0.00%	6.62%	8.17%
TOTAL PRIVATE EQUITY	43,706	3.5%	5.0%	-3.96%	-15.99%	-4.17%	-1.37%	-19.31%	5.92%
POST VENTURE CAPITAL INDEX				29.99%	-35.63%	23.87%	-31.48%	-16.33%	-48.23%
CASH EQUIVALENTS									
TNT Short Term Extendable Portfolio	21,760	1.8%	2.0%	0.49%	1.03%	1.34%	1.27%	1.53%	5.91%
90 DAY T-BILLS				0.64%	1.08%	1.12%	1.51%	1.73%	5.90%
TOTAL FUND	1,237,170	100.0%	100.0%	9.13%	-10.52%	3.92%	-5.72%	-2.35%	-7.31%
POLICY TARGET BENCHMARK				10.23%	-12.03%	4.61%	-7.50%	-3.03%	-10.37%
TOTAL VALUE ADDED DUE TO									
Asset Mix				-2.45%	2.29%	0.02%	0.50%	-0.22%	1.30%
Active Management				1.50%	-0.56%	-0.68%	1.41%	0.92%	2.08%
Total Value Added				-0.96%	1.73%	-0.66%	1.91%	0.70%	3.38%

(1) Funded between July 25 and August 1, 2000.

(2) Brinson and Nicholas-Applegate were terminated and SEI hired May 18, 2001 with a transition of assets occurring during the month of June.

(3) Monthly returns estimated based on quarters' returns.

***NOTE:**

Monthly returns and market values are preliminary and subject to change.
Returns are net of investment management fees.